**Teachers’ Pension Scheme Pension Board – May, June and July 15**

The purpose of this document is to advise the Board of recent key events relating to the administration of the scheme.

**TP Administration Update**

This period has seen the start of the busy “summer retirement” season. By the end of July TP had received over 16,000 applications and processed over 12,000. They and are on track to complete all applications where they are in receipt of the necessary data; in approximately 1,300 of the remaining cases TP have requested missing information from the Employer to complete the process.

It was reported in the Northern Echo on Friday 28 August that police detectives are investigating an alleged theft from the accounts of Capita Teachers Pensions in Darlington, after routine internal audit enquiries had thrown up concerns. As a result a member of staff at the organisation was arrested, at her home address, on 18 August on suspicion of theft. She has been interviewed and is currently on police bail until mid-October. There has been no impact on individual members and the value of the scheme will not be affected as Capita must indemnify for any loss; arrangements to do this are ongoing.

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| **Customer Satisfaction** |  |

Last quarter TP reported that they were commencing an improved regime of measuring customer satisfaction. Every member or employer who has touched the operation has been given the opportunity to provide feedback and rate the service. The results used to measure against target are those where the respondent has positively rated the experience as good or very good – neutral responses are excluded. Member feedback is good across all measures and is tracking around the target satisfaction levels.

Employer feedback is mixed. The measure of timeliness and quality is tracking above the target levels. The measure including effort required to resolve queries is tracking below the target level. Feedback identifies three areas where TP will focus on improvements – knowledge issues at first point of contact, portal issues and ease of finding information

on the web site.

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| **SLAs and KPIs** |  |

Last quarter TP reported that the number of transfer cases were unexpected and, as this was outside Capita’s control, the Department had agreed to suspend Service Level Agreement targets in relation to this function, as provided for in the contract. Volumes have returned to normal and the Service Level Agreement regime has been reinstated.

However, this area remains at amber due to concerns regarding performance. A number of initiatives have been introduced to address these concerns, but the amber rating will remain until the Department is reassured that the initiatives are leading to an improvement against the performance indicators.

The Contact Centre has undertaken a number of activities to implement a cultural change agenda for TP by putting customer service at the heart of the organisation. However, having the customer experience as the over-riding priority can extend the call time as operators take extra time to ensure the query has been properly answered and encourage callers to set up a “My Pension Online” account whilst on the call. The Contact Centre have also introduced staff advocates and champions to own and deliver the cultural change plan and a number of individuals have been managed out of the organisation to create the right conditions to deliver this change. Additional staff are currently undergoing training.

The Telephony Key Performance Indicator regarding call abandonment has not been met this quarter, with only 85% of calls being answered before the caller chooses to abandon the call. However, customer satisfaction throughout this period has been high, with 80% of those who gave feedback saying they were satisfied (or better) with the service. Capita will continue to monitor the situation.

Achievement of Service Level Agreements has been generally good, but there was a dip in service during May due to IT issues. The matter was escalated and, at the Quarterly Strategy Board on 24 June, Capita’s Director of IT detailed the actions, such as patching and reconfiguration work, that are being undertaken to improve and maintain the level of service. Improved oversight and monitoring of the IT environment will now be led by a Key Production Environment Owner (new post). June and July have subsequently seen an improvement against Service Level Agreements.

During this quarter a 3-day turnaround target was implemented in the correspondence team. All new email enquiries will be handled within 3 working days – this target has been maintained since going live in early June.

Last quarter we advised that a recovery plan had been put in place to resolve Internal Dispute Resolution Procedure cases within timescale and additional staff have been deployed to the Policy and Technical Team. Consequently, there has been a noticeable improvement in the performance for this quarter. The deployment of additional resource will continue in order to maintain this positive trend and we expect to report that targets are being fully met next quarter.

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| **Legislative Changes** |  |

Changes to the Annual Allowance were announced in the Summer Budget 2015.  The changes apply to tax years beginning 2015/16.  The key change was a further reduction in the Annual Allowance for high earners.  However, all members will be affected by the change to the period over which pension accrual is valued for Annual Allowance purposes (the “Pension Input Period”). In response to the changes, TP have carried out a number of actions including : analysing the TP membership data to see how many members may be affected by the reduction in the Annual Allowance, adding a news article to the TP website to inform members of the changes, and initiating a project to understand the system changes that will be needed in advance of the changes becoming effective.

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| **Relocation** |  |

The move to Lingfield Point is a key step in TP’s model to deliver cultural change, providing the physical environment to reflect and support the new culture. As part of the work to promote this the communication team are preparing a range of displays and wall art.

The project team are also building an ‘assurance pack’ that will be provided to Marcus Bell, who has to give consent for the move to go ahead. The pack will include a report summarising the testing that has taken place and contingency plans in place to deliver a seamless transition of service to the new offices, whilst maintaining service levels.

A number of key milestones are in place to provide assurance of progress. The first of these has been completed in that “Wide Area Network” links are in place; but the project remains amber until further progress has been made against these milestones in the lead up to the move.

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| **Significant Projects** |  |

**The Monthly Data Collection**.

Since April 2015, Teachers’ Pensions has implemented a Monthly Data Collection solution, which aims to replace the Annual Service Return, Re-employment Certificates, TR6 and TR8 forms with a single Monthly Service Return. This provides significant benefits to members and employers, such as allowing real time information to be available whilst reducing the administrative burden of the current processes.

The first two phases of this exercise concluded in July 2015. A total of 185 employers, which include some of the biggest payroll providers and employers, have participated, submitting service for over 400 establishments. A third group of 363 employers has been identified to participate in the next phase which starts at the beginning of September, with a fourth group joining in April 2016. Plans are to roll out monthly data collection across the whole employer base by October 2018.

**The** **Data Strategy**

The objective of data strategy is to improve the way that data is managed and controlled within Teachers Pensions. Work is underway reviewing the strategy to determine if there are any further initiatives that can be undertaken to improve and maintain data quality.

During July the deadline for annual service returns was reached. At the deadline there were 1,208 employers who had not submitted a return; action has been taken to make contact with these employers in writing outlining the impact a non-return has on its employees while also strongly reminding the employers of their obligations under regulation. Further contact with employers is planned in respect of those returns still outstanding in September.

**The Deferred Project**

A deferred pension relates to active unclaimed pensions, where a member has left the scheme but has either not transferred their existing pension to a new scheme, or claimed the residual funds.

The Deferred project is underway to trace and verify approximately 200k deferred members. So far 2,742 records have been processed; progress of the project is monitored via a monthly update to the Service Delivery Board.

**Employer Review**

The Department has initiated a joint project with Capita to review the role of the employer within the administration of the scheme. This project is intended to ensure that the role of the employer remains sustainable and deliverable within the scheme over the mid to long term, to ensure that the scheme is effectively managed and that members continue to receive the best possible service. This project is scheduled to take six months and will involve consultation and engagement with employers, unions and other stakeholder organisations.

**Guaranteed Minimum Pension reconciliation**

The Department and TP have continued to work with HM Treasury and other government Departments on the policy decisions necessary to allow the reconciliation of Guaranteed Minimum Pensions to be completed. A number of those decisions are still outstanding; however, it is clear that for the TPS will have to reconcile all records by 2018. The Department and Capita have commenced discussions on a programme of work and commercial arrangements to complete the work, and are confident the reconciliation will commence in October, when Capita move to new premises.

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| **Contract Outcomes** |  |

An approach regarding the Year 4 “service orientated” outcomes measures has been agreed, providing good information regarding Customer satisfaction (member and employer) The proposal regarding full review of the Outcome Measures (including the work on changing “perceptions”) is expected to be in place for the start of contract Year 5 (starts 1.10.2015). The amber status is expected to remain until the full review is complete.